

MoneyMe Limited (ASX:MME)

15 March 2022

ASX Announcement

MONEYME COMPLETES SOCIETYONE ACQUISITION

MoneyMe Limited (“MoneyMe” or “Group”) refers to its announcement on 17 December 2021 regarding the planned acquisition of SocietyOne. MoneyMe is pleased to confirm it has now completed the transaction.

Highlights:

The MoneyMe acquisition of SocietyOne will boost revenue, customer and profit growth by:

1. **Realising significant operating leverage:** 68% increase in MoneyMe pro forma¹ loan book size to \$994m (31 December 2021); material operating leverage benefits as SocietyOne business is migrated to MoneyMe’s Horizon platform;
2. **Delivering material cost synergy opportunities:** \$17m p.a. (pre tax) by removing duplicate functions, systems, premises, processes and an incremental opportunity to lower funding costs through accelerated securitisation;
3. **Delivering large revenue synergy opportunities from SocietyOne customer base:** Market MoneyMe’s diverse product suite to SocietyOne’s unique and high-quality customer and introducer base; SocietyOne customer experience “turbocharged” with Horizon platform – reducing time to fund from ~1-2 days to ~1-2 hours;
4. **Unlocking new distribution opportunities:** Expand broker channel, with optimised user experience on Horizon; accelerating financial wellness channel, leveraging SocietyOne’s credit score product with ~147k customer base (a low-cost channel) and the potential Banking-as-a-Service partnership opportunity with Westpac; and
5. **Leveraging the power of combined data:** Over \$2b of combined customer origination data, enabling increased revenue and improved credit risk management through advancements in credit underwriting, artificial intelligence (AIDEN), marketing and customer behaviour analysis.

89% of SocietyOne shareholders received 66,407,225 MoneyMe shares, with 11% of the consideration paid as a cash consideration option totalling just over \$14.5m. SocietyOne shareholders own 28% of MoneyMe post transaction.

The transaction delivers a powerful combination of two of the leading innovators in the consumer lending market and will harness SocietyOne’s strong brand recognition as a pioneer in disruptive personal lending, with MoneyMe’s leadership in product innovation, efficiency and customer experience through its proprietary technology platform (Horizon).

¹ Pro forma SocietyOne financials assume that all off balance sheet SocietyOne loans are funded “on balance sheet”. The off balance sheet peer-to-peer funding program has been discontinued and now all loans originated by SocietyOne are funded on balance sheet, with the transition expected to be largely complete by FY24.

The MoneyMe and SocietyOne businesses bring complementary distribution capabilities that will span across direct digital, direct traditional, broker, agent and dealer, as well as delivering improved data and funding opportunities. The combined business will deliver leading customer experiences with the increased scale accelerating the Group's pace of winning market share from incumbent lenders.

MoneyMe was assisted on the transaction by Morgan Stanley as financial adviser and Gilbert + Tobin as legal advisor.

Clayton Howes, MoneyMe's Managing Director and CEO said:

"The SocietyOne acquisition combines two of the most widely recognised consumer credit disruptors to deliver immediate scale advantages and incremental revenue opportunities.

The strategic value is immense for both businesses, and we are incredibly excited. The opportunity to accelerate growth will be quickly realised by combining the strengths of both brands. Cost efficiencies will be delivered by migrating SocietyOne operations onto MoneyMe's high-tech Horizon technology platform. The SocietyOne brand will continue to thrive and will benefit from access to MoneyMe's diversified product set and ability to deliver leading customer experiences.

There are many new innovations we will expand on, including the SocietyOne credit score product which will be brought to the MoneyMe customer base and the Banking-as-a-Service partnership with Westpac that we will continue to explore.

We are excited to be leading industry consolidation and fast tracking our journey to become the number one non-bank credit provider in Australia."

Authorised on behalf of the MoneyMe Board and Disclosure Committee by:

Clayton Howes
Managing Director & CEO

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About the MoneyMe Group

The MoneyMe Group is a leading disruptor and innovator in the consumer lending market.

The Group's **MONEYME** and SocietyOne brands reflect a focus on innovation and the creation of digital-first experiences that meet, and exceed, the expectations of 'Generation Now'.

Leveraging AI and cloud-based technology, The MoneyMe Group delivers highly automated credit products and market-leading, seamless customer experiences. Our proprietary and modular technology platform 'Horizon' facilitates automated loan approval and settlement, meaning approvals in minutes and fast settlement for end customers.

We offer a diversified mix of credit products and distribution channels to create significant scale and long-term customer advantages. Our automotive finance, personal loans, revolving line of credit and at point-of-sale instalment products are for credit approved customers who are seeking simplicity, fair pricing and flexibility.

MoneyMe Ltd (the 'Group') is an ASX-listed, licensed, and regulated credit provider operating in Australia.